Wake County ABC Board

Performance Audit Report

Alcoholic Beverage Control Commission
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ABC COMMISSION NORTH CAROLINA

Alcoholic Beverage Control

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October 27, 2025

Wake County ABC Board
Lucius Jones, Chair
1212 Wicker Dr
Raleigh, NC 27604

Chairperson Jones,

On the following pages, you will find the performance audit report conducted by the staff of the ABC Commission reviewing the operations of the Wake County ABC Board. The report consists of an overview of the objectives & background summary, financial analysis and findings, and a summary of actions recommended based upon your board's performance and related findings. Additional considerations are listed as well to provide further guidance and enhance awareness to promote ABC board's success.

Please reach out if you have any questions or require assistance in implementing any of the statute requirements, Commission rules, or other recommendations included in the report. On behalf of the North Carolina ABC Commission, I thank you and your staff for your assistance and cooperation in conducting this periodic review. We appreciate the continued efforts by your board to comply with the performance standards, as well as the board's commitment to increase profitability and reduce expenses.

If we can be of assistance in the future, please do not hesitate to reach out to the Commission staff.

Respectfully,

Michael G. DeSilva

Michael DeSilva
Deputy Commissioner

OBJECTIVE, PURPOSE & BACKGROUND INFORMATION

In addition to regular and special financial audits, G.S. 18B-705(a) authorizes the NC ABC Commission to conduct performance audits of all local ABC boards in the state. Performance audits are examinations of existing operating policies, practices, controls, and activities to determine those areas in which there may be a need for improvement.

The audits are designed to ensure that all local ABC Boards comply with established performance standards pursuant to G.S. 18B-203(a)(20). The audit's scope addresses compliance with ABC laws and rules, store appearance, operating efficiency, solvency, and customer service.

To achieve the objectives of the audit, auditors:

- Review applicable General Statues, ABC Commission Rules, and Administrative Policies
- Review applicable reports and studies of ABC Boards with similar size and geography.
- Verify compliance with Commission and Board policies.
- Verify results of previous performance audit recommendations
- Review ABC Board annual independent financial audits.
- Review ABC Board reporting and documentation reports.
- Visit the store(s)
- Interview key ABC Board personnel.

Wake County, officially the County of Wake, is a county located in the U.S. state of North Carolina. As of the 2020 census, its population was 1,129,410, making it North Carolina's most populous counties. From July 2005 to July 2006, Wake County was the 9th-fastest growing county in the United States, with Cary and Raleigh being the 8th- and 15th-fastest growing communities, respectively.

Its county seat is Raleigh which is also the state capital. Eleven other municipalities are in Wake County, the largest of which is the town of Cary, the third-most populous city of the Research Triangle region and the seventh-most populous municipality in North Carolina.

It is governed by the Wake County Board of County Commissioners, coterminous with the Wake County Public School System, with law enforcement provided by the Wake County Sheriff's Department. It is also part of the wider Triangle J Council of Governments, which governs regional planning.

Prior to English colonization, present-day Wake County was part of the Tuscarora nation. Wake County was formed in 1771 from parts of Cumberland County, Johnston County, and Orange County. The first courthouse was built at a village originally called Wake Courthouse, now known as Bloomsbury. In 1771, the first elections and court were held, and the first militia units were organized. Wake County lost some of its territory through the formation of other counties. Parts were included in Franklin County in 1787, and in Durham County in both 1881 and 1911.

During the colonial period of North Carolina, the state capital was New Bern. For several years during and after the Revolutionary War, there was no capital, and the General Assembly met in various locations. Fayetteville was the state capital in 1786, 1789, 1790, and 1793, when Raleigh became the permanent state capital in 1794. In 1792, a commission was appointed to select a site to build a permanent state capital. The commission members favored land owned by Colonel John Hinton across the Neuse River, but the night before the final vote, the committee adjourned to the home of Joel Lane for an evening of food and spirits. The next day, the vote went in Lane's favor.

Lane named Wake County in honor of Margaret Wake Tryon, wife of colonial Governor William Tryon. Raleigh was named after Sir Walter Raleigh and established in 1792 on 1,000 acres (4.0 km^2) purchased from Lane. Raleigh had never set foot in North Carolina, but he had sponsored the establishment of the first English colony in North America on North Carolina's Roanoke Island in 1585. The city of Raleigh became both the state capital and the new seat of Wake County.

The general manager is responsible for the oversight of all daily operations, inventory management, accounts payable, human resource organization and other administrative decisions for the board. The board hired an external accountant who assists with the annual audit. All store employees' primary responsibility is to provide friendly customer service to all customers, store upkeep and stock maintenance.

> A mixed beverage referendum occurred on June 22, 1937, and passed. Currently, the Wake County ABC Board appoints a chairperson who is appointed by the local appointing authority "Wake County Commissioners", a vice chairman, a finance officer, three board members and a general manager to serve on the ABC board. The Wake County ABC Board currently operates (26) retail stores. The board staffs three hundred (300) in total personnel. These include one hundred ninety-four (194) full-time employees and one hundred four (104) part-time personnel.

The general manager is responsible for all daily store operations including supervising personnel, inventory management, and various retail functions. The board's Finance Officer Danielle Brigman provides the board with fiscal management, administrative support, and she also oversees financial operations of the ABC stores. Sales associate responsibilities include selling products, daily stocking, and floor upkeep & maintenance.

The last performance audit for the Wake County ABC Board occurred in 2013. The Commission audit serves as a continuous way to provide local boards with information and best practices that target areas for improvement.

1212 Wicker Dr, Raleigh N.C.

OPERATIONAL OBSERVATIONS, FINDINGS, REQUIRED ACTIONS, & RECOMMENDATIONS

On Tuesday, September 2, 2025, ABC Board Program Analyst II Eric McClary, visited the Wake County ABC Board and interviewed Bernie Wooten (Assistant General Manager). Below is a financial analysis followed by operation observations, findings, and recommendations related to the performance audit.

FINANCIAL ANALYSIS

PROFIT PERCENTAGE TO SALES & OPERATING COST RATIO

- In fiscal year (FY) 2024-2025, the Wake County ABC Board had a profit percentage to sales ratio of 10.47%. The NC ABC Commission profit to sales standards for ABC Boards with gross sales greater than $10M is 9.0%.
  - The Wake County ABC Board's gross sales totaled $222,276,672 which was an approximate 1.2% decrease from the previous fiscal year.

- Wake County ABC Board operates twenty-six retail stores with mixed beverage sales. The operating cost ratio for the board was *.53* in FY 2024-2025. The NC ABC Commission standard for ABC Boards with three or more stores and mixed beverages is *.63* or less.
  - Operating cost ratio is calculated by dividing total operating expenses into less depreciation by the gross profit on sales (Total operating expenses less depreciation/Gross Profit).

- Thus, the Wake County ABC Board meets both the profitability and the operating cost standards set by the NC ABC Commission. Below are charts showing gross profit on sales, total operating expenses, and income from operations for recent years.

	FY 2024-2025	FY 2024-2025
Gross Profit on Sales	$54,483,684	$55,775,827
Income from Operations	$23,275,898	$26,945,944

Factors affecting profitability and cost include:

- Surrounding areas with other ABC systems which are within a 25-mile radius include Durham County ABC, Franklinton ABC, Youngsville ABC, and Angier ABC.
- There was 3.6% unemployment rate in Wake County in June of 2025 compared to 3.2% the previous year and month.
- The board currently has approximately 1,091 active mixed beverage customers. *In FY 2024/2025 mixed beverage accounted for over 26.5% of gross sales.*

FINANCIAL ANALYSIS (cont.)

- *Factors affecting expenses:*
  - Total operating expenses increased by (8.2%) from the last fiscal year.
  - Board salaries and wages were approximately five-point seven percent (5.0%) of total annual sales.
  - Cost of Goods Sold (COGS) was roughly 51.9% for the fiscal year with a normal range being 52% to 54%.

BUDGET ANALYSIS

	FY 2024-2025 Budget Projections	*FY2024-2025 Actual*	Variance	Variance %
Sales	$227,338,500	*$222,276,672*	$1,646,672	7.2%
Revenue over or (under) Expenditures		*$4,681,294*		

In reviewing the budget to actual analysis of the FY 2024-2025 financial audit, actual sales revenues were less than forecasted projections of 7.2%. After reconciliation, the change in the Board's end net position was $74,338,209.

DISTRIBUTIONS

G.S. 18B-805 (b) requires the board to pay from gross receipts, all expenses, excise, and rehabilitation taxes. G.S. 18B-805(c)(2) requires the board to *typically* distribute at least five percent (5%) of applicable gross receipts to law enforcement and *typically* at least seven percent (7%) for alcohol education. *Before assigning these percentage distributions, G.S. 18B-805(c)(1) requires the board to first make a minimum quarterly distribution of the 3.5% markup & relevant bottle charges to certain county/municipal recipients.* **Some of these distribution percentages are designated by an official local enabling act (*and thus distribution requirements and recipients are subject to vary).*** Wake County ABC made a total of $52,462,972 in primary distributions and other taxes were paid to the NC Department of Revenue (NCDOR), NC Department of Health & Human Services (NCDHHS), and the county commissioners of Wake County.

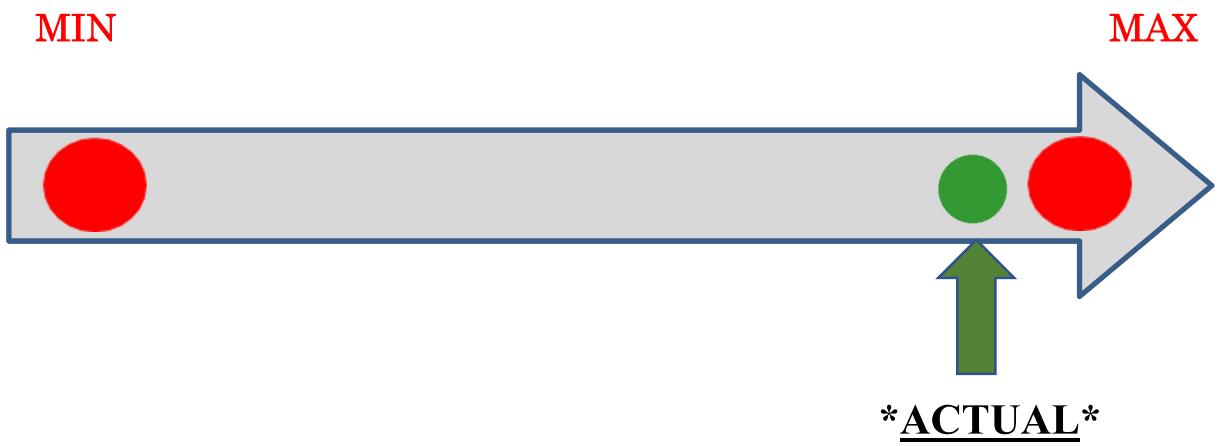
Per the local enabling act, the distribution formula for recipients of net profits is as follows:

- 27% to municipalities in proportion to ad valorem taxes to whole
- Remainder to Wake County General Fund of which $100,000 may be spent For water and sewer lines and manufacturing advantages of the area.

WORKING CAPITAL

- G.S. 18B-805(d) allows the board to set aside a portion of the remaining gross receipts, within the limits set by the rules of the Commission, as cash to operate the ABC system.
  - NCAC 15A .0902 sets a working capital maximum standard for boards with annual gross sales greater than $50M as an amount equal to two (2) months of gross sales.
  - G.S. 18B-702(g)(3) defines "Working Capital" as the total of cash, investments, and inventory less all unsecured liabilities. As it pertains to working capital computation, gross sales mean gross receipts from the sale of alcoholic beverages less distributions as defined in G.S. 18B-805(b)(2), (3), and (4).
- Based upon the existing rules, as of June 30, 2025, the Wake County ABC Board is required to maintain a minimum working capital of $6,531,296 with a maximum working capital amount of $28,312,783.
  - The Wake County ABC Board had a working capital balance of $28,302,283 which is more than the minimum and less than the maximum Commission requirements for this section (*).

* FY 2024-2025: *Working Capital (WC)graphic*



Under 18B-805(d), with approval of the appointing authority for the board, the local board may set aside a portion of the remaining gross receipts as a fund for specific capital improvements whenever working capital is exceeded.

- STATUTORY DISTRIBUTIONS:
  - Net Profit Distributions - The Wake County ABC Board has routinely made the minimum mandatory distributions to the designated recipients over the last three years referencing NCGS 18B-805(c)(1). **The table below references distributions calculated by CPA on the left and total net profit distributions made by the ABC Board for the last three (3) years on the right.**
  - Law Enforcement Distributions: Have been properly disbursed at or above the regular 5% statute amount over the last three (3) fiscal years.
  - Alcohol Education Distributions: Have been disbursed at or above the standard 7% statute amount of the last three (3)

NC GENERAL STATUTE: 18B-805 (c)(1)			
Calculation of Minimum Mandatory Distribution for Net Profit to Designated Recipients ***Note*: Referencing CPA Audit Reports**		**Wake County ABC Board Net profit distribution made annually by fiscal year**	
CPA Calculated Amount		**Total paid to recipient(s)**	
FY-2025	***$5,999,308***	**FY-2025**	***$11,869,328***
FY-2024	***$6,064,160***	**FY-2024**	***$14,517,085***
FY-2023	***$6,045,630***	**FY-2023**	***$16,924,673***

PERSONNEL, OPERATIONAL & ADMINISTRATIVE COMPLIANCE

The findings for personnel, operational & administrative compliance are as follows:

Board Members

- The board consists of *chairperson*, a vice chairman, a finance officer, three board members and a general manager to serve the board.
  - All board members are compliant with ethics training.
  - Member terms are properly staggered.
  - Board Members have professional experience in accounting, business, teaching and other professional areas.
- Members may have taken an oath of office per G.S. 11-7, and copies of oaths are available at the board's administrative office.
- Meetings are generally held on the last Wednesday of each month, and public notices are posted via the board website.
- Meeting minutes are well organized and available and follow the order of proceedings, providing detail of business discussed in a transparent and easily comprehendible manner.

  - The board minutes were reviewed and contained most required notations including time and date, approval of previous meetings minutes, and distinguished between new and old minutes.
  - Full financial reports prepared by the board's Finance Officer are presented including sales for mixed beverages, comparisons for previous year, P&L and balance sheet.
  - Board members are heavily encouraged by the Commission to use checks and balances to ensure that cash management practices are upheld, especially on payroll. Boards should also routinely review any notes and recommendations provided by the CPA firm on annual audits.
- The board's login website had been updated at and prior to Commission visit and contains accurate information pertaining to board members, personnel, and store location.
  - *The Commission's expectation going forward is that ABC boards will routinely manage this information online, and work to communicate with the Commission particularly when new members are added, or whenever any current serving members resign before a term has ended.*

Law Enforcement

- The board has its own law enforcement agency and documentation is on file in Commission records.
- Law enforcement reports are submitted regularly by Chief S.P Broadwell and are current to date. The Board obtains pertinent data from Chief Broadwell.
    - Reports often provide details of activities for accountability per G.S. 18B-501(f1).

Board Personnel

- The board currently has (306) total employees, with one hundred ninety-eight (198) full-time, and one hundred nine (109) part-time.
- General Manager has served in this role with the board for approximately five years and has over additional years working in retail sales and management.
    - General Manager is full time; his salary is within the allowable compensation per G.S. 18B-700(g1). All members are compliant with required ethics training.
    - Their responsibilities include full oversight of all daily store operations, human resources, ordering, inventory, and other operational tasks.
- The Finance Officer supports the manager with many additional responsibilities. They are cross-trained and both the general manager's and finance officers have key responsibilities. They are compliant with ethics training.
- The Finance Officer has served the board for around twenty years. Her responsibilities include billing, processing invoices, many other financial and administrative things, and additional operational activities.
- Some of the board's store employees are part-time sales associates and primarily responsible for providing friendly customer service, general store cleaning and upkeep, and stock maintenance.
- Training is provided for new employees from management and other personnel and is on the job and mentorship styled.
    - RASP training has been completed in recent years, and management is receptive to the idea and benefit.
    - Product knowledge training is handled informally between management and team members.
- Employee files are kept in the administrative office and include tax and other applicable information and personnel manual acknowledgment form.
- Full time employees are enrolled in LGERS.
- No conflicts pertaining to nepotism found and per discussion with general manager.

Policies

- ➢ The board has a comprehensive personnel manual that details various policies, behavioral standards, and aspects of employee benefits. Some of the headlines included in the manual are as follows:
  - o Ethics standards and customer, employee, and personnel relationship.
  - o Media, internet, equipment usage and cell phones.
  - o Alcohol sales for identification of age, intoxication, employee, or families.
  - o Cash handling including deposits and register balancing.
  - o Pay leave and benefits including holidays, timekeeping, scheduling, overtime, insurance, illness, medical, military, pregnancy, and employment categories.
  - o Conduct standards including appearance, attendance, etiquette, drug or alcohol use, smoking, discipline, and harassment.
  - o Employee evaluations, and discipline.
- Additional policies that are practiced include shelf management, breakage, price discrepancy, mixed beverage, and a code of ethics.
- For travel, the board chooses to adhere to the local municipality travel policy in compliance with G.S. 18B-700(g2) however the Commission does not have documentation for Commission records.

Operations

- ➢ Full inventory is conducted the last Tuesday of each month with code-based inventories and other random counts conducted more frequently.
  - o All store managers participate, along with other team members.
  - o Scanners are used, and discrepancies are investigated.
  - o Adjustments are made by the finance staff
  - o Strategies for slow-moving products include a discontinued section and reviewing sales of the slow-moving product and moving this product to a store where the product will likely sale best.
- Board receives deliveries daily on occasion.
  - o Offload is conducted using a purchase order receipt list checking off cases by code.
  - o Variances are reviewed and recounted before sending notification to LB&B.
- The board currently has one thousand ninety-one mixed beverage customer accounts.
  - o Invoices are provided to permittees at the time of the transaction and copies are retained for each account.
  - o Mixed beverage customers use the warehouse entrance for purchases and staff assist in verifying order accuracy and helping the customers with loading. Thirteen other stores also act as mixed beverage outlets.
- Customers make liquor orders by using E-licensee.
- Allocated products are reserved for both retail and mixed beverage accounts, to a reasonable extent.

<u>Financial, Administrative, and Internal Controls</u>

- Invoices for liquor are processed daily for all deliveries and roughly 60% of payments are processed via printed written checks, while 40% of payments are made via ACH.
  - *A sample of payment dates was reviewed and indicated invoices were paid within the thirty-day requirement.*
- Board's checks have the required disbursement certificate in compliance with G.S. 18B-702(q).
  - The Wake County ABC board requires two signatures on checks. The general manager, assistant general manager, and the Finance Director are all authorized to sign checks.
- Each store manager regularly reviews liquor orders, the pre-audit stamp required by G.S. 18B-702(m) is also being properly affixed to purchase orders.
- The general manager has a credit card, and it's kept in a secure location at the administrative office.
  - Itemized receipts for purchases are provided to the finance officer for review before the account is balanced. The General Manager and Assistant Manager will also sign off.
- Deposits are made daily for the previous business day. Deposit slips and other banking information are retained at the board's office and processed by the Board's Finance Department Officer. The FO also conducts month end reconciliation.

The board operates 26 stores. *Each store has a minimum of two to five registers.*
  - Drawers are counted at the beginning and end of each shift and a slip for each till is signed by the applicable employee.
- Funds are kept in a pooling bank approved by the North Carolina Treasury Office.
- Payroll is bi-weekly and processed by board's FO and she utilizes Paycor with the accounting, tax and other reductions.
  - Employees use a computer system to clock in and out and hours are reviewed by all administrative employees.
- Board keeps thorough records for unsaleable merchandise reports and emails copies of the claims to the Commission regularly in compliance with NCAC 15A .1701(c).
- The annual CPA audit was received by the Commission on September 21, 2024.
- All board members and the general manager and finance officer are each bonded for $50,000 per G.S. 18B-700(i).

STORE INSIGHT & OVERVIEW

- ➢ The board and administrative office are located off a major commercial thoroughfare and near an interstate.
  - o Outside area surrounding the store is well-maintained and free of debris or trash.
  - o There is ample parking and easy access for deliveries.
- Each store showroom-retail area is moderately large and shelving, endcaps, and other displays are well organized.
  - o Showroom space is aesthetically pleasant at most locations, well-lit, and allows for easy flow for patrons and staff.
  - o The Boards' floor's carpeting is clean, and the hardwood flooring is also very nice.
  - o The Fetal Alcohol Syndrome poster required by G.S. 18B-808 is displayed, and the quarterly price book is available should customers request.
  - o Listings for specially priced items are printed and available for customers to review.
- The warehouse and administrative areas are equipped with administrative offices for various board employees and officials.
  - o The Wake County board's warehouse is organized and can accommodate many cases.
- Shelf management practices are fully implemented, and a written plan is available for store personnel which corresponds with NCAC 15A .1708.
  - o Products are fronted and dusted, and most are placed in categorized areas at all stores.
  - o Premium products are generally found at eye-level or on top shelf at all stores.
  - o Bottles are generally arranged so they increase in size left to right of the same item.
- Sales associate interactions at the board's retail locations with customers are attentive, courteous, and the staff are very familiar with many of their patrons.
  - o Price discrepancies are handled in the customer favor if the shelf tag were to be lower than the current price mandate. The board also provides a price discrepancy form to the customer to be filed.
- Stores are generally open Mon-Thurs 11:00 am until 9:00 pm, Fri-Sat 10:00 a.m. to 9:00 p.m. daily, while the New Bern store closes 7:00 p.m. daily. Stores are currently closed every Sunday. Besides closing on the two (2) required annual holidays and every Sunday, the board may opt to continue closing on New Year's Day, July 4th, and Labor Day annually.
- Security systems are in place and functional in all designated areas.
  - o *The Wake County ABC board has approximately (25) cameras, and a panic button is installed at the Wicker Drive location.*

RECOMMENDED ACTIONS (PER STATUTES OR COMMISSION RULES)

- ABC Boards are required to operate within a balanced budget each fiscal year. Budget amendments must be approved by the board before any funds are transferred between accounts and utilized, occurring at the actual point of time an adjustment of funds is necessary. This would include the point in time during the fiscal year when the board will exceed its annual forecasted sales budget. *Ensure budget amendment copies are submitted to the ABC Commission as required per NCGS 18B-702(h), to include a final reconciliation budget amendment for the fiscal year end.*

- Please ensure all newly adopted policies or any updated policies are submitted electronically to the Commission for recordkeeping and review per NCAC 15A .1102 Rule. Electronic copies of the personnel manual should be emailed to Commission personnel for recordkeeping. A credit card policy is recommended to established authorized use (sample copy forwarded for consideration). A tastings policy is recommended if tastings are done routinely.

- The Commission recognizes that the board follows its municipality local policy. As a reminder, the board must annually obtain approval from the appointing authority to adhere to their local government travel policy and annually provide the Commission with a copy of this approval per G.*S. 18B-700(g2).*

- ABC Boards are required to work within general minimum and maximum limits for working capital, as established per Commission Rule NCAC 15A .0902(a)(2). When ABC Boards exceed maximum working capital in any given FY due to planned capital improvements, please secure written approval from the applicable County or Municipal authorities per N.C.G.S. 18B-805(d) and forward to the Commission. As best measure, securing documentation prior to exceeding maximum working capital would be the most ideal approach.

ADDITIONAL CONSIDERATIONS & GUIDANCE ….

- The Commission's primary focus for ABC board members:

- ABC board members are highly encouraged to meet monthly for the best formal oversight and review of board operations, routinely recording meeting minutes (*adhering to closed meeting requirements where applicable*) and ensuring either no conflicts of interest are present or that they are addressed appropriately when presented. Monthly sales should be reported to the Commission at beginning of next month, providing annual budgets, budget amendments, miscellaneous financial reporting to Commission following timelines, and ensuring Commission has annual CPA audits by Sept 30th.

- ABC boards are highly encouraged to keep term begin dates & term end dates updated on the Commission's board login website for all ABC board members and other information such as store hour changes, pictures, email updates, etc. *Moreover, liaising with the Commission when new members are appointed or when member resign early before term has ended is very important for recordkeeping efforts of the Commission.*

- ABC boards are highly encouraged to find straightforward ways to lower any recurring expenses. *A very tangible way to lower operating costs is to fully maximize monthly special purchase allowance (SPA) liquor products that routinely sell well in the store to lower cost of goods sold (COGS).* ABC Boards can limit the number of personnel travelling to conference and convention events across the state. Other ways to try to improve expenses include requesting bids annually from various vendors to get the best rates possible on financial audits, various utilities, maintenance contracts, and *credit card processing companies*.

- ABC boards are encouraged to closely review financial statements monthly, comparing with the annual budget forecast, approving budget amendments when necessary and submitting copies to the Commission for anticipated sales increases as well as other adjustments for budgeted accounts.

- Cross training opportunities for personnel should be maximized to ensure solid continuity of operations occurs for ABC boards. Also, training opportunities can work well to develop store employees for increased responsibility roles and serving to make both the routine operations and employee morale stronger.

- NCAC Rule 15A .1701 requires quarterly reports be submitted for any unsaleable merchandise (breakage) and retain original copies for three (3) years. *All breakage reports should only be transmitted via email submission to Commission staff; copies should not be mailed.*

- As a reminder, remove all faded posters and replace with new ones when applicable. Reach out to the Commission to provide fetal alcohol syndrome posters, NC Dept of Labor can provide wage & hour posters, and OSHA can provide some applicable federal posters if any are needed.

- ABC boards can explore additional training opportunities periodically available through the ABC Commission as well as partnering with other ABC boards on specific areas such as best retail and marketing practices.

WAKE COUNTY ALCOHOLIC BEVERAGE CONTROL

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October 23, 2025

The State of North Carolina Alcoholic Beverage Control Commission
Attn: Mr. Eric McClary
400 East Tryon Road
Raleigh, NC 27610

Dear Mr. McClary:

The purpose of this letter is to provide an official response to the most recent Performance Audit Report on Wake County Alcoholic Beverage Control. We appreciate the time and energy you put into this report and making sure that every ABC Board in the State operates with the most ethical, efficient, profitable, and professional standards.

In your most recent report, there are three recommendations listed (Page 14 of the PDF).

1. *Budget Amendments*- Wake County ABC wanted to clarify that we are already providing these to the State of North Carolina ABC Commission when approved by our Board. Our third-party accounting firm, Dean Dorton, annually reviews our financial statements and hold us accountable to the GAAS National standards. Any and all budget amendments will continue to be digitally distributed to the State of NC ABC Commission staff immediately after approval.
2. *Policy Changes* – When there are any updates and alterations to our Employee Manual, Wake County ABC is aware we are to provide them to the State of North Carolina ABC Commission. We have, however, not made any non-grammatical amendments to that document since 2021. Wake County ABC has not provided the Commission any Store Operations Manual updates though because that only involves shelf placement, truck ordering procedures, and common paperwork processes. They are two separate documents, and we will be glad to start providing those if Commission staff so desires.
3. *Travel Policy*- After your presentation, our Board voted to continue using the Wake County Government's travel policy. Attached to this letter is a copy of the policy and our Board's resolution (from October 22) to adopt such. Per our conversations, we have made a note that at this time every year, our Board is to re-consider what policy to adopt. We'll forward that resolution each year to the Commission. We will also work on seeking approval from the Wake County Board of Commissioners permitting us to use their policy.

If you should have any questions or need further details on these (or any other concerns) then please don't hesitate to reach out to me at 919.832.2726 or bhicks@wakeabc.com. We thank you for your service in improving North Carolina as a whole.

Sincerely,

Bryan Hicks
General Manager

Attached: *Wake County Government Adopted Travel Policy*
Resolution from Wake County ABC Board adopting County's

RESOLUTION BY THE
WAKE COUNTY ALCOHOLIC BEVERAGE CONTROL BOARD
ADOPTING THE TRAVEL POLICY OF
WAKE COUNTY GOVERNMENT

WHEREAS the Wake County Alcoholic Beverage Control Board is a governmental agency operating under North Carolina General Statute Chapter 18; and

WHEREAS the Wake County Alcoholic Beverage Control Board also operates under the rules set forth by the State of North Carolina Alcoholic Beverage Control Commission; and

WHEREAS, to operate under the highest standards, Wake County Alcoholic Beverage Control staff may travel from time to meetings, training, and/or conferences to further increase education and experience; and

WHEREAS the Wake County Alcoholic Beverage Control Board works to be good stewards of the revenues generated from sales; and

WHEREAS any reimbursement of costs associated with this travel needs to follow the highest and reasonable ethical standards.

NOW THEREFORE, the Wake County Alcoholic Beverage Control Board adopts the travel policies set in place and used by our appointing authority of Wake County Government.

Adopted this 22nd day of October, 2025.

Lucius S Jones

Chairman
Lucius S. Jones

September 24th 2025
Month Day Year

Wake County
ABC Board

Certificate of Accountability

This document assures this Board and the State of North Carolina that the following statutory duties required of local ABC Boards have been properly performed.

1. The system has complied with all State uniform pricing requirements pursuant to NCGS §18B-804.

2. That all alcoholic beverages sold have been approved by the Commission for sale in this State pursuant to NCGS §18B-800.

3. That all "gross receipts" pursuant to NCGS §18B-805(a) have been properly accounted for and are lawful.

4. That all taxes due and board expenses have been properly and timely paid pursuant to NCGS §18B-805(b).

5. That all distributions pursuant to NCGS §18B-805 have been properly and timely paid.

6. That the finance officer for the board has properly performed all duties as required pursuant to NCGS §18B-702(k).

General Manager

Financial Officer

Lucius S. Jones
Chairman

Betty P. Whitaker
Board Member

Board Member

Board Member

Board Member